

26 June 1947

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MEMORANDUM TO: Director of Central Intelligence

SUBJECT: Organization of the Office of Reports and Estimates

1. A suggestion calculated to effect a comprehensive restatement of the mission of the Office of Reports and Estimates within the framework of the mission, policies and procedures of the Central Intelligence Group has been submitted to the Director.
2. Based on the above mentioned statement of mission and as a result of the experience of the past six months, it is believed that certain organizational changes and re-alignments are desirable. It seems pertinent, therefore, to try at this time to formulate and state the general principles which should form the basis of organization of the Office of Reports and Estimates.
3. In considering what should be the basic structure of an intelligence production and presentation organization such as the Office of Reports and Estimates, one is almost immediately faced with two rather widely divergent concepts. On the one hand is the concept that matters should be dealt with exclusively on a subject or functional basis, world-wide in scope. The other school of thought insists with much cogency, that subject or functional matters can be effectively dealt with only within political or rather narrow geographical boundaries. While somewhat favoring the first concept, it is believed that, in most cases, dealing with matters solely on a subject basis world-wide in scope would result in so general an interpretation of affairs and events as to render such interpretations of doubtful value as intelligence suitable for policy framing and governmental decisions. It is believed, therefore, that an organization based in the first instance on dividing the world into convenient geographical segments should be adopted. Each of these segments should be so selected as to compose an area of distinct strategic significance to the United States presenting broadly common political, sociological, military and economic inter-relationships. The organization dealing with matters within each of these geographical segments, termed a Regional Branch, should form the fundamental organizational unit. Each Regional Branch should then be organized on a subject or functional basis with personnel supplied in quantity and quality in accordance with the relative importance within that particular area of each major

topic dealt with. To assure that the various major subjects are adequately dealt with on a global basis, several high level topical groups (known as Functional Branches) should be established. It is conceived that these Functional Branches will consist of persons of the highest competence in their respective fields who in general will act as high level consultants in their fields to personnel handling those matters in the Regional Branches. These Functional Branches will in effect guide the work of all Regional Branches in their respective specialized fields and in addition will themselves produce broad studies whenever their need becomes apparent. Due to the nature of the topics with which they deal, certain of the Functional Branches and/or Groups, notably Scientific Branch, Transportation Group, and the Group dealing with United Nations affairs, should be set up to handle their topics entirely and in detail on a global basis, and thus form an exception to the usual system of Functional Branch organization. Such exceptions should continue to be made whenever the need is apparent.

By adopting such a pattern of overall organization, marked advantages are obtained over the purely functional or purely regional type of organization.

- a. The organizational system affords both regional treatment and global treatment of functional subjects.
 - b. The global treatment of functional subjects under this plan is not restricted to the summation of a series of individually prepared regional treatments, but is based on the broadest possible concepts.
 - c. Regional treatment of functional subjects is supported by the presence of the functional specialists as expert consultants in their respective fields. Conversely the regional point of view is available in support of the global studies of the Functional Branch specialists.
 - d. The resulting organizational flexibility insures a better balanced consideration of affairs in terms of the national security; and with greater economy of effort.
4. It is considered, therefore, that the Office of Reports and Estimates should be organized on the following broad principles;
- a. Fundamental organization unit to be the Regional Branch.
 - b. Each Regional Branch to be organized on a Functional

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basis. (Note: In most cases a further area groupment within each Regional Branch will be desirable.)

c. Organize small Functional Branches composed of highly competent specialists in the major fields of interest to guide the treatment of their subjects by the Regional Branches and, where desirable, correlate such treatment in global terms.

d. Organize a minimum number of staffs to coordinate the day to day work of the Regional Branches and Functional Groups in the three categories of Current, Staff and Basic Intelligence.

e. Provide a headquarters group of an Assistant Director and his Deputy, a Plans and Policy Staff for planning and general supervision, and an Executive Staff to handle administration and services.

f. Provide an Advisory Board consisting of the Chiefs of the Regional and Functional Branches, Global Strategy Group, Staffs concerned, and others designated by the Assistant Director to advise and consult on general plans and policy.

g. Provide a Global Strategy Group of particularly highly qualified personnel to survey continually the world situation with the particular duty of recognizing and presenting world movements and conditions bearing on the national security of the United States.

h. Provide a Reference Center to furnish essential intelligence reference services.

i. Keep administrative functions to a minimum and wherever possible eliminate administrative type titles.

j. Insist on full and free contact and consultation between the Assistant Director and the professional personnel of the Office with a minimum of channels and administrative procedures.

5. Enclosure A is a general schematic diagram of the organization outlined above together with an explanation of specific items where thought necessary. No detailed table of organization is submitted at this time, but preliminary studies indicate that the proposed organization does not entail any general increase either in numbers of grades of personnel presently authorized.

6. Early action on the recommendations contained in this memorandum is requested in order to permit early reorganization on the basis outlined.

/s/ A. H. McCOLLUM, Capt., USN
DEPUTY ASSISTANT DIRECTOR
REPORTS AND ESTIMATES

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